

# Autos: Indus Motor Company Limited

## Result Review: Records highest half-yearly PAT of PKR 12.7bn since 2014

### Result Highlights

- Indus Motor Company Limited (INDU) announced its financial results for 2QFY26, reporting a Profit After Tax (PAT) of PKR 5,982mn (EPS: PKR 76.11), reflecting a 23% YoY increase compared to PKR 4,867mn (EPS: PKR 61.92) in SPLY. Cumulatively, 1HFY26 earnings stood at PKR 12,701mn (EPS: PKR 161.60), marking a 28% YoY growth from PKR 9,957mn (EPS: PKR 126.69) in 1HFY25 and representing the highest half-yearly PAT since 2014.
- The company announced a cash dividend of PKR 46/share for 2QFY26, taking the cumulative payout for 1HFY26 to PKR 97/share.
- Net sales in 1HFY26 net sales stood at PKR 119,196mn, reflecting a 40% YoY increase. During 2QFY26, net sales clocked in at PKR 57,458mn up 36% YoY compared to PKR 42,376mn in SPLY. The topline growth is primarily attributable to a 67% YoY increase in volumetric sales to 10,674 units during the quarter. The expansion was largely driven by higher sales of Yaris, Corolla, and Corolla Cross, which collectively accounted for 9,094 units, while Fortuner and Hilux contributed 1,580 units in 2QFY26.
- For 1HFY26, gross margins improved to 15.2%, compared to 13.8% in 1HFY25. However, during 2QFY26, gross margins declined to 13.1% versus 14.1% in SPLY. The contraction in quarterly margins is primarily attributable to a higher proportion of lower-priced variants in the sales mix, in our view.
- Other income increased by 43% YoY to PKR 5,317mn in 2QFY26 (vs. PKR 3,727mn in SPLY) due to increase in cash and cash equivalents.
- Finance cost rose to PKR 82mn in 2QFY26 (vs. PKR 38mn in SPLY). For 1HFY26, finance cost stood at PKR 132mn, compared to PKR 100mn in 1HFY25.
- The company recorded an effective taxation rate of approximately 39.3% in 2QFY26 compared to 40% in SPLY. On a cumulative basis, the effective tax rate for 1HFY26 stood at 41.0%, compared to 39.4% in 1HFY25.
- We have a “**BUY**” recommendation on INDU. The scrip is currently trading at FY26 and FY27 multiple of 6.1x and 5.8x.

REP-300

### Exhibit: Financial Highlights

(PKR mn)	1HFY26	1HFY25	YoY	2QFY26	2QFY25	YoY	QoQ
<b>Income Statement</b>							
Net Revenue	119,196	84,879	40%	57,458	43,276	33%	-7%
COGS	101,105	73,187	38%	49,909	37,164	34%	-3%
Admin Expense	1,934	1,471	31%	1,079	886	22%	26%
Distribution Expense	1,200	890	35%	503	228	121%	-28%
Other Expenses	1,505	981	53%	737	530	39%	-4%
Other Income	8,217	8,184	0%	5,317	3,727	43%	83%
Finance Cost	132	100	32%	82	38	117%	65%
PBT	21,537	16,433	31%	10,466	8,157	28%	-5%
Taxation	8,835	6,475	36%	4,484	3,291	36%	3%
PAT	12,701	9,957	28%	5,982	4,867	23%	-11%
EPS (PKR)	161.60	126.69		76.11	61.92		
DPS (PKR)	97.00	76.00		46.00	37.00		
<b>Ratio Analysis</b>							
Gross Margins	15.2%	13.8%		13.1%	14.1%		
Net Margins	10.7%	11.7%		10.4%	11.2%		
Return on Equity	33.8%	30.5%		33.8%	30.5%		
Return on Assets	16.1%	14.8%		16.1%	14.8%		
Payout Ratio	60.0%	60.0%		60.4%	59.8%		
Effective Tax	41.0%	39.4%		42.8%	40.3%		

Source (s): Company Financials, AHL Research

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